

GRANT P. FONDO (SBN 181530)
GFondo@goodwinlaw.com
GOODWIN PROCTER LLP
601 Marshall Street
Redwood City, CA 94063
Tel.: +1 650 752 3100
Fax: +1 650 853 1038

AMANDA H. RUSSO (SBN 319617)
ARusso@goodwinlaw.com
GOODWIN PROCTER LLP
601 S. Figueroa Street, 41st Floor
Los Angeles, CA 90017
Tel.: +1 213 426 2500
Fax: +1 213 623 1673

Attorneys for Respondent
PAYWARD VENTURES, INC., d/b/a
KRAKEN OR KRAKEN.COM

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

PAYWARD VENTURES INC., d/b/a
KRAKEN OR KRAKEN.COM, OR ITS
PREDECESSORS, SUBSIDIARIES,
DIVISIONS, OR AFFILIATES,

Respondent.

Case No. 3:23-MC-80029-JCS

**RESPONDENT PAYWARD
VENTURES, INC.'S AMENDMENT TO
ADMINISTRATIVE MOTION TO FILE
UNDER SEAL PORTIONS OF ITS
OPPOSITION TO PETITION TO
ENFORCE INTERNAL REVENUE
SERVICE SUMMONS AND
SUPPORTING DECLARATION**

Date: May 19, 2023
Time: 9:30 a.m.
Courtroom: F (15th Floor)
Judge: Hon. Joseph C. Spero

MEMORANDUM OF POINTS AND AUTHORITIES

On April 24, 2023, pursuant to Civil Local Rules 7-11 and 79-5, Payward Ventures, Inc. (“Kraken”) filed its initial Administrative Motion to File Under Seal Portions of Its Opposition to Petition to Enforce Internal Revenue Service Summons and Supporting Declaration (ECF No. 17). Kraken hereby submits this Amendment to its Administrative Motion to File Under Seal (“Amended Motion”) to identify for the Court the revised and more limited portions of its Opposition to Petition to Enforce Internal Revenue Summons (“Opposition”) (ECF No. 16) and the Declaration of Todd Siemers in Support of that Opposition (“Siemers Declaration”) (ECF No. 16-4)¹ that it seeks to seal. The more limited redactions seek to maintain as confidential commercial information regarding Kraken’s business operations.

Following the filing of the initial Motion, counsel for the Parties continued to meet and confer regarding Kraken’s requested redactions of certain portions of its Opposition and the Siemers Declaration. *See* Declaration of Grant P. Fondo in Support of Amendment to Administrative Motion to File Under Seal Portions of Kraken’s Opposition to Petition to Enforce Internal Revenue Service Summons and Supporting Declaration (“Fondo Decl.”) ¶ 8. Following meet and confer calls with the Government, Kraken worked in good faith to re-analyze the portions of the documents which it now seeks to seal. *Id.* ¶ 9. While Kraken agreed to further reduce the portions it seeks to have sealed, the Parties were still unable to reach agreement. *Id.* As a result, the Government filed its Opposition to the initial Motion on April 27, 2023 (ECF No. 18). While Kraken anticipates the Government will nonetheless oppose these more limited redactions, Kraken submits this Amendment to its initial Motion in hopes of narrowing the remaining sealing issues for the Court’s consideration.

As a result of the Parties’ continuing efforts to meet and confer, Kraken requests that the Court seal the highlighted portions of the Siemers Declaration and portions of the Opposition that reference the information contained within the Siemers Declaration, attached as Exhibits A and B hereto (together, the “Redacted Materials”). The identified portions of the Redacted Materials, as

¹ The unredacted versions of these documents are being filed as exhibits concurrently herewith with highlighting to demonstrate the portions sought to be sealed.

1 reflected in the Siemers Declaration itself, describe Kraken’s confidential and proprietary business
2 information regarding the innerworkings of Kraken’s IT department and processes. *See* Fondo
3 Decl. ¶¶ 2-4. Specifically, this includes Kraken’s internal technological capabilities surrounding
4 the organization, query and analysis of information on its systems. *Id.* ¶ 3. For the reasons set forth
5 in the initial Motion, information detailing the innerworkings of Kraken’s IT systems and their
6 precise functionality and capabilities in the Redacted Materials should be sealed. *See also, e.g.,*
7 *Lathrop v. Uber Techs., Inc.*, No. 14-CV-05678-JST, 2016 WL 9185002, at *3 (N.D. Cal. June 17,
8 2016) (granting request to seal, *inter alia*, proprietary and confidential information regarding
9 Uber’s internal “systems, logging techniques, and databases” and material that “reveals information
10 Uber uses to identify and analyze individual accounts and data, as well as power its system”);
11 *Haskins v. First Am. Title Ins. Co.*, No. CV 10-5044 (RMB/JS), 2013 WL 12155639, at *1 (D.N.J.
12 Mar. 28, 2013) (granting motion to seal, *inter alia*, confidential information regarding “the
13 functionality of First American’s IT systems, their capabilities, and the data fields”).

14 Kraken is no longer seeking to redact those portions of the Opposition and Siemers
15 Declaration that pertain to information relating to Kraken’s userbase based on various threshold
16 values of transaction history and transaction type, or the previously redacted information generally
17 relating to Kraken’s data and information storage systems, including the types of user data stored.

18 For the foregoing reasons, Kraken respectfully requests the Court grant Kraken’s
19 Administrative Motion pursuant to the more narrowed requests contained in this Amendment and
20 issue an order to seal the Redacted Materials and place in the public record the redacted version of
21 the Redacted Materials, as attached as Exhibits A and B hereto.

22 //

23 //

24 //

25 //

26 //

27 //

28 //

Respectfully submitted,

Dated: May 2, 2023

By: /s/ Grant P. Fondo

GRANT P. FONDO (SBN 181530)

GFondo@goodwinlaw.com

AMANDA H. RUSSO (SBN 319617)

ARusso@goodwinlaw.com

GOODWIN PROCTER LLP

Attorneys for Respondent

PAYWARD VENTURES, INC., d/b/a

KRAKEN OR KRAKEN.COM